

## **2013 DRAFTING REQUEST**

### **Bill**

Received: <b>2/13/2013</b>	Received By: <b>pkahler</b>
Wanted: <b>As time permits</b>	Same as LRB:
For: <b>Edward Brooks (608) 266-8531</b>	By/Representing: <b>Terri Griffiths</b>
May Contact:	Drafter: <b>pkahler</b>
Subject: <b>Insurance - auto</b>	Addl. Drafters:
	Extra Copies:

Submit via email: **YES**  
 Requester's email: **Rep.Brooks@legis.wisconsin.gov**  
 Carbon copy (CC) to: **Tamara.Dodge@legis.wisconsin.gov**  
**Mark.Kunkel@legis.wisconsin.gov**

---

### **Pre Topic:**

No specific pre topic given

---

### **Topic:**

Prohibiting insurers from requiring that auto repairs be made at a particular repair shop

---

### **Instructions:**

See attached


---

### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 2/13/2013	scalvin 2/26/2013	rschluet 2/27/2013	_____			
/P1	pkahler 3/1/2013			_____	sbasford 2/27/2013		
/P2	pkahler 3/12/2013	scalvin 3/6/2013	phenry 3/6/2013	_____	srose 3/6/2013		Crime

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P3	pkahler 4/4/2013	scalvin 3/20/2013	rschluet 3/20/2013	_____	srose 3/20/2013		
/1		scalvin 4/4/2013	rschluet 4/4/2013	_____	lparisi 4/4/2013	sbasford 4/12/2013	

FE Sent For:


 Not  
Needed

<END>

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/P1	pkahler 3/1/2013				sbasford 2/27/2013		
/P2		scalvin 3/6/2013	phenry 3/6/2013		srose 3/6/2013		Crime

/P3 sac  
03/20/2013

3/20/13 P4

FE Sent For:

**<END>**

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/?	pkahler 2/13/2013	scalvin 2/26/2013	rschluet 2/27/2013				
/P1		1P2 sac 03/06/2013	3/6 ph	IF DH	sbasford 2/27/2013		

FE Sent For:

<END>

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## **Pre Topic:**

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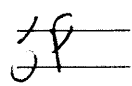
## **Topic:**

Prohibiting insurers from requiring that auto repairs be made at a particular repair shop

## **Instructions:**

See attached

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1?	pkahler	1/1 sac 02/26/2013					

FE Sent For:

<END>



**Kahler, Pam**

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**From:** Griffiths, Terri  
**Sent:** Wednesday, February 13, 2013 9:42 AM  
**To:** Kahler, Pam  
**Subject:** draft request

Pam,

We need a change in our motor vehicle repair practices draft which Mark Kunkel drafted for us and we signed off on and had jacketed. Unfortunately I need to go back to the beginning and I apologize.

I have learned that you drafted in 2007 a substitute amendment to then AB 353(lrb s0202/1) and I believe this is a better route for us to take with our desire to put in statute that a consumer has the right to select the motor vehicle repair facility of his or her choice.

The key to this new draft is that we want statute to clearly say, "A consumer has the right to select the motor vehicle repair facility of his or her choice."

Secondly: This newly created section of the law does not apply to glass repair.

Thirdly: OCI is the enforcement authority of this new statute so I believe we need this section under chapter 632.

Thank you for your help.

Terri Griffiths  
Office of Rep. Ed Brooks  
266-8531

1106



State of Wisconsin  
~~2007~~ ~~2008~~ LEGISLATURE  
2013-2014

LRB-1619/p1  
~~LRB-0202/5~~  
PJK:12-10

2013 Bill  
ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 2007 ASSEMBLY BILL 353

Preliminary Draft - Not Ready for Introduction

(in 2-13)

sac r must run

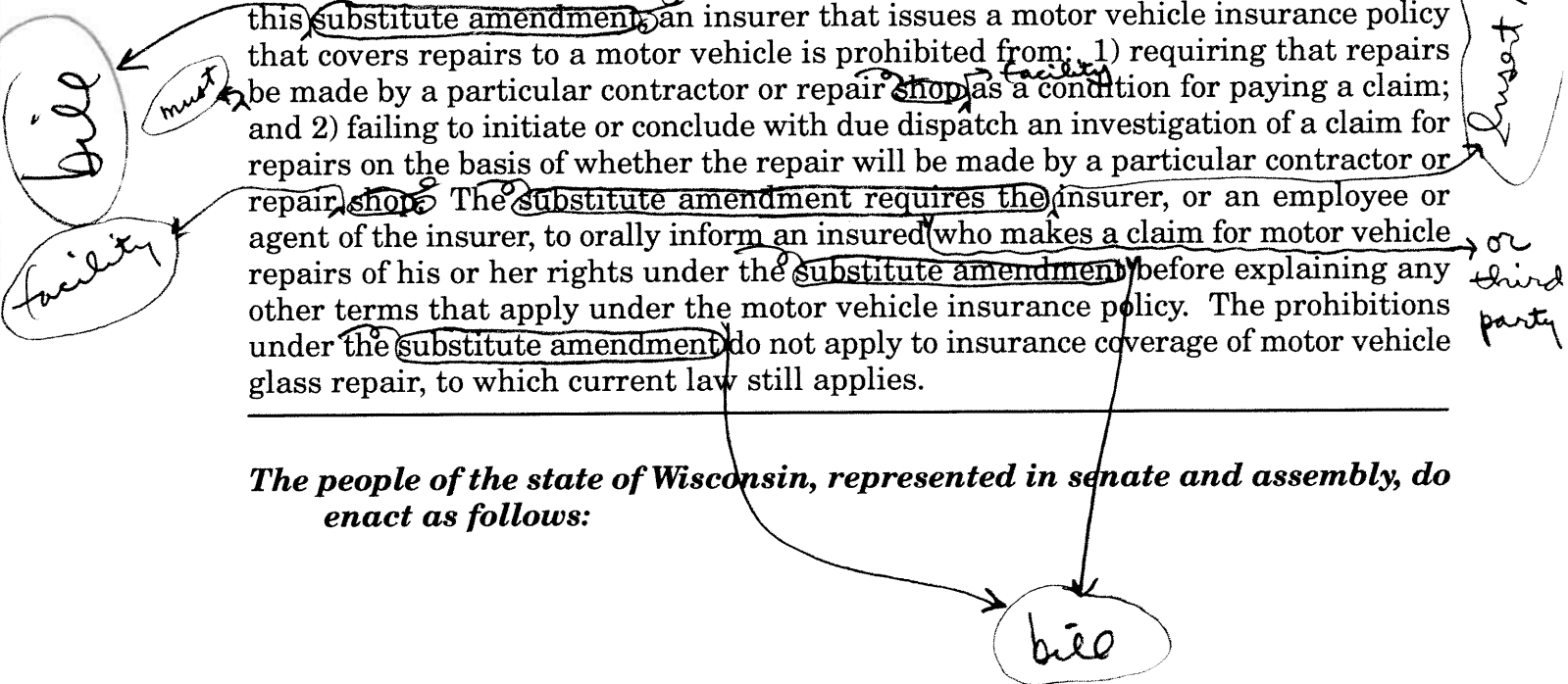
gen cat

- 1 AN ACT to create 632.375 of the statutes; relating to: motor vehicle repair
- 2 practices.

**Analysis by the Legislative Reference Bureau**

Current law prohibits an insurer that issues a motor vehicle insurance policy that covers the repair or replacement of motor vehicle glass from conditioning the coverage on whether the insured or a third party making a claim under the policy obtains services or parts from a particular vendor specified by the insurer. Under this substitute amendment, an insurer that issues a motor vehicle insurance policy that covers repairs to a motor vehicle is prohibited from: 1) requiring that repairs be made by a particular contractor or repair shop as a condition for paying a claim; and 2) failing to initiate or conclude with due dispatch an investigation of a claim for repairs on the basis of whether the repair will be made by a particular contractor or repair shop. The substitute amendment requires the insurer, or an employee or agent of the insurer, to orally inform an insured who makes a claim for motor vehicle repairs of his or her rights under the substitute amendment before explaining any other terms that apply under the motor vehicle insurance policy. The prohibitions under the substitute amendment do not apply to insurance coverage of motor vehicle glass repair, to which current law still applies.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:



1           **SECTION 1.** 632.375 of the statutes is created to read:

2           **632.375 Motor vehicle repair practices.** (1) SCOPE. This section applies  
3 to every insurer that issues or delivers in this state a motor vehicle insurance policy  
4 that covers repairs to a motor vehicle registered or principally garaged in this state.

5           (2) PROHIBITED PRACTICES. (a) No insurer may require that, as a condition of  
6 paying a claim, repairs to a motor vehicle <sup>must</sup> be made by a particular contractor or repair

7 <sup>facility</sup> ~~shop~~ <sup>Insert 2-7</sup>  
8           (b) No insurer may fail to initiate or conclude with due dispatch an  
9 investigation of a claim for repairs to a motor vehicle on the basis of whether the  
10 repairs will be made by a particular contractor or repair ~~shop~~ <sup>facility</sup>

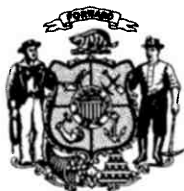
11           (3) NOTICE OF RIGHTS. When an insured <sup>or 3rd party</sup> makes a claim for repairs to a motor  
12 vehicle, the insurer or an employee or agent of the insurer shall orally inform the  
13 insured <sup>or 3rd party</sup> of his or her rights under sub. (2) before explaining any other terms that  
14 apply under the motor vehicle insurance policy.

15           (4) INAPPLICABILITY TO GLASS REPAIR. Section 632.37, rather than this section,  
16 applies to the repair or replacement of motor vehicle glass under a motor vehicle  
17 insurance policy.

18           **SECTION 2. Initial applicability.**

19           (1) If a motor vehicle insurance policy that is in effect on the effective date of  
20 this subsection contains a provision that is inconsistent with this act, this act first  
21 applies to that motor vehicle insurance policy on the date on which it is renewed.

22           **(END)**



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1106/1  
MDK:kjfrs

2013 BILL

AN ACT *to create* 100.70 of the statutes; **relating to:** selection of motor vehicle repair facility.

*Insert A*

*Analysis by the Legislative Reference Bureau*

This bill provides that a consumer has the right to select the motor vehicle repair facility of his or her choice *and requires an*

**The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:**

SECTION 1. 100.70 of the statutes is created to read:

**100.70 Right to select motor vehicle repair facility.** A consumer has the right to select the motor vehicle repair facility of his or her choice.

(END)

*Insert  
2-7*

**Kahler, Pam**

---

**From:** Griffiths, Terri  
**Sent:** Friday, March 01, 2013 11:12 AM  
**To:** Kahler, Pam  
**Subject:** Request for changes to: LRB -1619/P1 Topic: Prohibiting insurers from requiring that auto repairs be made at a particular repair shop  
**Attachments:** 13-1619/P1

Pam,

On this draft – I need the following changes:

Change Section 1. 632.375 of the statutes is created to read:

**632.375 Motor vehicle repair practices; restriction on specifying vendor.** (1) Scope. This section applies to every insurer that issues or delivers in this state a motor vehicle insurance policy that covers repairs to a motor vehicle registered or principally garaged in this state.

Modify Lines 5-8 on Page 2 as follows: (2) A consumer has the right to select the motor vehicle repair facility of his or her choice.

Remove lines 9-11 on Page 2

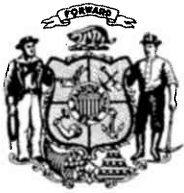
Remove lines 12-15 on Page 2

Change **(4)** on line 16 Page 2 to **(3)**

I looked at s 632.37 – the glass statute and mirrored that verbiage for the heading at 632.375. The prohibitions are concerning to us because that's what everyone will read in the LRB Analysis and completely miss the point of this change which is to simply say "A consumers has the right to select the motor vehicle repair facility of their choice". We know that insurance contracts will include language as to their "preferred" repair shops, but what gets lost in this is the fact that a consumer still has a choice (likely at their own expense) to go to a repair shops they want to use. We aren't prohibiting insurers from putting in their contracts what they need and we know they urge use of the "preferred" vendor, but we want in statute this "choice" language for repair shops to hold on to if steering by an insurer is occurring.

If these changes are made to the draft I think we'll have what our folks want to see.

Please call me with questions. Thank you, Terri



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1619/P2

PJK:sac:es

+MDK

rmis run

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note  
(in 3-1)

purf

Regenerate ↓

selection 88

1 AN ACT to create 632.375 of the statutes; relating to: motor vehicle repair

2

practices

facility and providing a penalty

**Analysis by the Legislative Reference Bureau**

Current law prohibits an insurer that issues a motor vehicle insurance policy that covers the repair or replacement of motor vehicle glass from conditioning the coverage on whether the insured or a third party making a claim under the policy obtains services or parts from a particular vendor specified by the insurer. Under

this bill, an insurer that issues a motor vehicle insurance policy that covers repairs to a motor vehicle is prohibited from: 1) requiring that repairs must be made by a particular contractor or repair facility as a condition for paying a claim; and 2) failing to initiate or conclude with due dispatch an investigation of a claim for repairs on the basis of whether the repair will be made by a particular contractor or repair facility.

The bill provides that a consumer has the right to select the motor vehicle repair facility of his or her choice and requires an insurer, or an employee or agent of the insurer, to orally inform an insured or third party who makes a claim for motor vehicle repairs of his or her rights under the bill before explaining any other terms that apply under the motor vehicle insurance policy. The prohibitions under the bill do not apply to insurance coverage of motor vehicle glass repair, to which current law still applies.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

(CRIME  
TAG)

1 SECTION 1. 632.375 of the statutes is created to read:

2 **632.375 Motor vehicle repair practices.** (1) SCOPE. This section applies  
3 to every insurer that issues or delivers in this state a motor vehicle insurance policy  
4 that covers repairs to a motor vehicle registered or principally garaged in this state.

5 (2) PROHIBITED PRACTICES. (a) No insurer may require that, as a condition of  
6 paying a claim, repairs to a motor vehicle must be made by a particular contractor  
7 or repair facility. A consumer has the right to select the motor vehicle repair facility  
8 of his or her choice.

9 (b) No insurer may fail to initiate or conclude with due dispatch an  
10 investigation of a claim for repairs to a motor vehicle on the basis of whether the  
11 repairs will be made by a particular contractor or repair facility.

12 (3) NOTICE OF RIGHTS. When an insured or 3rd party makes a claim for repairs  
13 to a motor vehicle, the insurer or an employee or agent of the insurer shall orally  
14 inform the insured or 3rd party of his or her rights under sub. (2) before explaining  
15 any other terms that apply under the motor vehicle insurance policy.

16 (4) INAPPLICABILITY TO GLASS REPAIR. Section 632.37, rather than this section,  
17 applies to the repair or replacement of motor vehicle glass under a motor vehicle  
18 insurance policy.

19 **SECTION 2. Initial applicability.**

20 (1) If a motor vehicle insurance policy that is in effect on the effective date of  
21 this subsection contains a provision that is inconsistent with ~~this act~~ <sup>the</sup> ~~this act~~ first  
22 applies to that motor vehicle insurance policy on the date on which it is renewed.

23 (END)

8-2-18  
the treatment of section 100.70 of the statutes

2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1619/P2ins  
PJK:.....

INSERT A

*not*  
The bill provides that the commissioner of insurance must administer and enforce this consumer right and imposes on any person violating the consumer right *subjects* the penalties that are imposed for violations of insurance statutes and rules.  
*to*

(END OF INSERT A)

INSERT 2-18 *184*

- ✓*
- 1           **SECTION 1.** 100.26 (1) of the statutes is amended to read:
- 2           100.26 (1) Any person who violates any provision of this chapter, except s.
- 3           100.18, 100.20, 100.206 ~~or~~, 100.51, or 100.70, for which no specific penalty is
- 4           prescribed shall be fined not to exceed \$200, or imprisoned in the county jail not more
- 5           than 6 months or both.

**History:** 1975 c. 39; 1979 c. 327; 1981 c. 90; 1981 c. 124 s. 9; 1983 a. 500; 1985 a. 288; 1989 a. 31; 1993 a. 414; 1995 a. 27; 1997 a. 55, 111, 201, 253, 283; 1999 a. 32; 2001 a. 16, 109.







State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1106/1  
MDK:kjf:rs

2013 BILL

1 AN ACT *to create* 100.70 of the statutes; **relating to:** selection of motor vehicle  
2 repair facility.

---

*Analysis by the Legislative Reference Bureau*

2084  
This bill provides that a consumer has the right to select the motor vehicle repair facility of his or her choice.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3 SECTION 1. 100.70 of the statutes is created to read:

4 **100.70 Right to select motor vehicle repair facility.** A consumer has the  
5 right to select the motor vehicle repair facility of his or her choice.

6 (END)



**2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1619/P2ins  
PJK:.....

INSERT 2-18 *cont'd 384*

x

1           **SECTION 1.** 601.41 (1) of the statutes is amended to read:

2           601.41 (1) DUTIES. The commissioner shall administer and enforce chs. 600 to  
3           655 and ss. 59.52 (11) (c), 66.0137 (4) and (4m), 100.203, 100.70, 120.13 (2) (b) to (g),  
4           and 149.13 and shall act as promptly as possible under the circumstances on all  
5           matters placed before the commissioner.

**History:** 1977 c. 339 s. 43; 1979 c. 89, 102, 177; 1982 a. 358 s. 14; 1985 a. 29; 1985 a. 182 s. 57; 1987 a. 247; 1989 a. 187 s. 29; 1989 a. 201, 336; 1991 a. 39; 1993 a. 16; 1995 a. 201; 1997 a. 27, 51, 252; 1999 a. 150 s. 672; 2001 a. 16, 65, 109; 2003 a. 261, 302; 2005 a. 74, 249; 2007 a. 170; 2009 a. 28; 2011 a. 120.

6           **SECTION 2.** 601.64 (1) of the statutes is amended to read:

7           601.64 (1) INJUNCTIONS AND RESTRAINING ORDERS. The commissioner may  
8           commence an action in circuit court in the name of the state to restrain by temporary  
9           or permanent injunction or by temporary restraining order any violation of chs. 600  
10          to 655 or s. 100.70 or 149.13, any rule promulgated under chs. 600 to 655, or any order  
11          issued under s. 601.41 (4). The commissioner need not show irreparable harm or lack  
12          of an adequate remedy at law in an action commenced under this subsection.

**History:** 1971 c. 260; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 218, 371, 421; 1977 c. 203; 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 ss. 78, 236 (5); 1979 c. 177; 1985 a. 29; 1987 a. 167, 247; 1989 a. 332; 1995 a. 396; 1997 a. 27, 283; 2001 a. 109; 2003 a. 261; 2005 a. 74.

13          **SECTION 3.** 601.64 (3) (a) of the statutes is amended to read:

14          601.64 (3) (a) *Restitutionary forfeiture.* Whoever violates an effective order  
15          issued under s. 601.41 (4), any insurance statute or rule, or s. 100.70 or 149.13 shall  
16          forfeit to the state twice the amount of any profit gained from the violation, in  
17          addition to any other forfeiture or penalty imposed.

**History:** 1971 c. 260; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 218, 371, 421; 1977 c. 203; 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 ss. 78, 236 (5); 1979 c. 177; 1985 a. 29; 1987 a. 167, 247; 1989 a. 332; 1995 a. 396; 1997 a. 27, 283; 2001 a. 109; 2003 a. 261; 2005 a. 74.

18          **SECTION 4.** 601.64 (3) (c) of the statutes is amended to read:

19          601.64 (3) (c) *Forfeiture for violation of statute or rule.* Whoever violates an  
20          insurance statute or rule or s. 100.70 or 149.13, intentionally aids a person in  
21          violating an insurance statute or rule or s. 100.70 or 149.13, or knowingly permits  
22          a person over whom he or she has authority to violate an insurance statute or rule

↓

*Ins 2-18 cont'd 4874*

1 or s. 100.70 or 149.13 shall forfeit to the state not more than \$1,000 for each violation.  
2 If the statute or rule imposes a duty to make a report to the commissioner, each week  
3 of delay in complying with the duty is a new violation.

History: 1971 c. 260; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 218, 371, 421; 1977 c. 203; 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 ss. 78, 236 (5); 1979 c. 177; 1985 a. 29; 1987 a. 167, 247; 1989 a. 332; 1995 a. 396; 1997 a. 27, 283; 2001 a. 109; 2003 a. 261; 2005 a. 74.

4 **SECTION 5. 601.64 (4) of the statutes is amended to read:**

5 601.64 (4) CRIMINAL PENALTY. Whoever intentionally violates or intentionally  
6 permits any person over whom he or she has authority to violate or intentionally aids  
7 any person in violating any insurance statute or rule of this state, s. 100.70 or 149.13,  
8 or any effective order issued under s. 601.41 (4) is guilty of a Class I felony, unless  
9 a specific penalty is provided elsewhere in the statutes. Intent has the meaning  
10 expressed under s. 939.23.

History: 1971 c. 260; Sup. Ct. Order, 67 Wis. 2d 585, 776 (1975); 1975 c. 218, 371, 421; 1977 c. 203; 1977 c. 339 s. 43; 1979 c. 89; 1979 c. 102 ss. 78, 236 (5); 1979 c. 177; 1985 a. 29; 1987 a. 167, 247; 1989 a. 332; 1995 a. 396; 1997 a. 27, 283; 2001 a. 109; 2003 a. 261; 2005 a. 74.

**(END OF INSERT 2-18)**

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1619/P2dn

PJK:j:...

SUC

- date -

\* I'm sorry; I must have misunderstood your original drafting instruction. I thought that you wanted to add the sentence about a consumer's right to choose a repair facility to a substitute amendment to 2007 AB 353 (LRBs020211). However, since you want to remove the substantive provisions of that substitute amendment, I must make more changes than requested in the redraft instructions:

\* 1. A title <sup>that references</sup> ~~referencing~~ repair practices would be inappropriate because the new section is not about repair practices.

2. I am unable in this draft to retain the subsection relating to scope (sub. (1)), because the draft no longer applies, on its face, to an insurer, as the substitute amendment did.

3. It also does not make sense to retain the subsection relating to inapplicability to glass repair practices (sub. (4)), because the single statement that is left is consistent with s. 632.37. Keeping sub. (4) would, I think, raise questions and doubts about the meaning of s. 632.37.

\* The problem with the one sentence that is left is that it does not have any real meaning. It's similar to a statement that one would see in a constitution, not in statutes. A constitutional provision (such as the equal protection clause or the due process clause) needs to be construed by a court to determine whether a ~~particular~~ <sup>particular</sup> action violates it or not. The single substantive statement in this draft does not prohibit, require, or authorize any particular action on the part of anybody. If someone were to ask me what the legal significance of the draft is, I would have to say that I do not know.

\* Since the new section in the draft is about consumer rights, and not, on its face, about regulating the insurance industry, I placed it back in ch. 100. However, since you wanted OCI to enforce it, I added the new section to s. 601.41 (1) <sup>as well as to</sup>

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: pam.kahler@legis.wisconsin.gov

<sup>the penalty provisions</sup>  
in s. 601.64

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1619/P2dn  
PJK:sac:ph

March 6, 2013

I'm sorry; I must have misunderstood your original drafting instructions. I thought that you wanted to add the sentence about a consumer's right to choose a repair facility to a substitute amendment to 2007 AB 353 (LRBs0202). However, since you want to remove the substantive provisions of that substitute amendment, I must make more changes than requested in the redraft instructions:

1. A title that references repair practices would be inappropriate because the new section is not about repair practices.
2. I am unable in this draft to retain the subsection relating to scope (sub. (1)), because the draft no longer applies, on its face, to an insurer, as the substitute amendment did.
3. It also does not make sense to retain the subsection relating to inapplicability to glass repair practices (sub. (4)), because the single statement that is left is consistent with s. 632.37. Keeping sub. (4) would, I think, raise questions and doubts about the meaning of s. 632.37.

The problem with the one sentence that is left is that it does not have any real meaning. It's similar to a statement that one would see in a constitution, not in statutes. A constitutional provision (such as the equal protection clause or the due process clause) needs to be construed by a court to determine whether a particular action violates it or not. The single substantive statement in this draft does not prohibit, require, or authorize any particular action on the part of anybody. If someone were to ask me what the legal significance of the draft is, I would have to say that I do not know.

Since the new section in the draft is about consumer rights, and not, on its face, about regulating the insurance industry, I placed it back in ch. 100. However, since you wanted OCI to enforce it, I added the new section to s. 601.41 (1), as well as to the penalty provisions in s. 601.64.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

3-12-13

Terril Griffiths

for P3, go back to P1 version, but remove

sub. (3): notice of rights

and start a new para. in

analysis with the consumer  
right language



LPS: NOTE from 13-1619/P1

State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1619/P1

PJR:sac:rs

Sorry! I accidentally ran r m

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

D-note  
(in 3-12)

(P3 is the same as P1  
with the noted  
changes)

- 1 AN ACT *to create* 632.375 of the statutes; relating to: motor vehicle repair
- 2 practices.

*Analysis by the Legislative Reference Bureau*

Current law prohibits an insurer that issues a motor vehicle insurance policy that covers the repair or replacement of motor vehicle glass from conditioning the coverage on whether the insured or a third party making a claim under the policy obtains services or parts from a particular vendor specified by the insurer. Under this bill, an insurer that issues a motor vehicle insurance policy that covers repairs to a motor vehicle is prohibited from: 1) requiring that repairs must be made by a particular contractor or repair facility as a condition for paying a claim; and 2) failing to initiate or conclude with due dispatch an investigation of a claim for repairs on the basis of whether the repair will be made by a particular contractor or repair facility. The bill provides that a consumer has the right to select the motor vehicle repair facility of his or her choice and requires an insurer, or an employee or agent of the insurer, to orally inform an insured or third party who makes a claim for motor vehicle repairs of his or her rights under the bill before explaining any other terms that apply under the motor vehicle insurance policy. The prohibitions under the bill do not apply to insurance coverage of motor vehicle glass repair, to which current law still applies.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 632.375 of the statutes is created to read:

**632.375 Motor vehicle repair practices.** (1) SCOPE. This section applies

to every insurer that issues or delivers in this state a motor vehicle insurance policy that covers repairs to a motor vehicle registered or principally garaged in this state.

(2) PROHIBITED PRACTICES. (a) No insurer may require that, as a condition of paying a claim, repairs to a motor vehicle must be made by a particular contractor or repair facility. A consumer has the right to select the motor vehicle repair facility of his or her choice.

(b) No insurer may fail to initiate or conclude with due dispatch an investigation of a claim for repairs to a motor vehicle on the basis of whether the repairs will be made by a particular contractor or repair facility.

(3) NOTICE OF RIGHTS. When an insured or 3rd party makes a claim for repairs to a motor vehicle, the insurer or an employee or agent of the insurer shall orally inform the insured or 3rd party of his or her rights under sub. (2) before explaining any other terms that apply under the motor vehicle insurance policy.

~~(4)~~ INAPPLICABILITY TO GLASS REPAIR. Section 632.37, rather than this section, applies to the repair or replacement of motor vehicle glass under a motor vehicle insurance policy.

## SECTION 2. Initial applicability.

(1) If a motor vehicle insurance policy that is in effect on the effective date of this subsection contains a provision that is inconsistent with this act, this act first applies to that motor vehicle insurance policy on the date on which it is renewed.

(END)

*D-note*



**2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1619/P3ins  
PJK:.....

**INSERT A**

Current law prohibits an insurer that issues a motor vehicle insurance policy that covers the repair or replacement of motor vehicle glass from conditioning the coverage on whether the insured or a third party making a claim under the policy obtains services or parts from a particular vendor specified by the insurer.

This bill provides that a consumer has the right to select the motor vehicle repair facility of his or her choice and prohibits an insurer that issues a motor vehicle insurance policy that covers repairs to a motor vehicle from: 1) requiring that repairs must be made by a particular contractor or repair facility as a condition for paying a claim; or 2) failing to initiate or conclude with due dispatch an investigation of a claim for repairs on the basis of whether the repair will be made by a particular contractor or repair facility.

(END OF INSERT A)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1619/P3dn

PJK:j:....

*Sac*

*- date -*

The only change I made that we did not discuss was to change the title of the new provision to what you suggested for the previous version of the draft. Let me know if this is a problem.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1619/P3dn  
PJK:sac:rs

March 20, 2013

The only change I made that we did not discuss was to change the title of the new provision to what you suggested for the previous version of the draft. Let me know if this is a problem.

Pamela J. Kahler  
Senior Legislative Attorney  
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E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

4-3 Terri from Rep Brooks's Office  
by phone

change "paying a claim" on p 2, l 4  
that  
to "coverage"



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1619/Ps

PJK:sac:1

run is run

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

LPS: check for hidden ~~xxx~~ Notes

1 AN ACT *to create* 632.375 of the statutes; relating to: motor vehicle repair  
2 practices.

*Analysis by the Legislative Reference Bureau*

Current law prohibits an insurer that issues a motor vehicle insurance policy that covers the repair or replacement of motor vehicle glass from conditioning the coverage on whether the insured or a third party making a claim under the policy obtains services or parts from a particular vendor specified by the insurer.

This bill provides that a consumer has the right to select the motor vehicle repair facility of his or her choice and prohibits an insurer that issues a motor vehicle insurance policy that covers repairs to a motor vehicle from: 1) requiring that repairs must be made by a particular contractor or repair facility as a condition for paying a claim; or 2) failing to initiate or conclude with due dispatch an investigation of a claim for repairs on the basis of whether the repair will be made by a particular contractor or repair facility.

of that coverage

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

3 SECTION 1. 632.375 of the statutes is created to read:  
4 632.375 Motor vehicle repair practices; restriction on specifying  
5 vendor. (1) SCOPE. This section applies to every insurer that issues or delivers in

1 this state a motor vehicle insurance policy that covers repairs to a motor vehicle  
2 registered or principally garaged in this state.

3 (2) PROHIBITED PRACTICES. (a) No insurer may require that, as a condition of

4 paying a claim, repairs to a motor vehicle must be made by a particular contractor  
5 or repair facility. A consumer has the right to select the motor vehicle repair facility  
6 of his or her choice.

7 (b) No insurer may fail to initiate or conclude with due dispatch an  
8 investigation of a claim for repairs to a motor vehicle on the basis of whether the  
9 repairs will be made by a particular contractor or repair facility.

10 (3) INAPPLICABILITY TO GLASS REPAIR. Section 632.37, rather than this section,  
11 applies to the repair or replacement of motor vehicle glass under a motor vehicle  
12 insurance policy.

13 **SECTION 2. Initial applicability.**

14 (1) If a motor vehicle insurance policy that is in effect on the effective date of  
15 this subsection contains a provision that is inconsistent with this act, this act first  
16 applies to that motor vehicle insurance policy on the date on which it is renewed.

17 (END)

a claim made under

the policy

the coverage specified in sub. (1)

Insert 2-14

**2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1619/lins  
PJK:.....

**INSERT 2-14**

**SECTION 1. Initial applicability.**

(1) Except as provided in subsection (2), this act first applies to a claim made under a motor vehicle insurance policy on the effective date of this subsection.

(2)

(END OF INSERT 2-14)

## 2013 DRAFTING REQUEST

### Bill

Received: 2/13/2013 Received By: pkahler  
Wanted: As time permits Same as LRB:  
For: Edward Brooks (608) 266-8531 By/Representing: Terri Griffiths  
May Contact: Drafter: pkahler  
Subject: Insurance - auto Addl. Drafters:  
Extra Copies:

Submit via email: YES  
Requester's email: Rep.Brooks@legis.wisconsin.gov  
Carbon copy (CC) to: Tamara.Dodge@legis.wisconsin.gov  
Mark.Kunkel@legis.wisconsin.gov

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### Pre Topic:

No specific pre topic given

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### Topic:

Prohibiting insurers from requiring that auto repairs be made at a particular repair shop

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### Instructions:

See attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 2/13/2013	scalvin 2/26/2013	rschluet 2/27/2013	_____			
/P1	pkahler 3/1/2013			_____	sbasford 2/27/2013		
/P2	pkahler 3/12/2013	scalvin 3/6/2013	phenry 3/6/2013	_____	srose 3/6/2013		Crime

2413



<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P3		scalvin 3/20/2013	rschluet 3/20/2013	_____	srose 3/20/2013		

FE Sent For:

/1 sac  
04/04/2013

<END>

**Basford, Sarah**

---

**From:** Griffiths, Terri  
**Sent:** Thursday, April 11, 2013 2:28 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB -1619/1 Topic: Prohibiting insurers from requiring that auto repairs be made at a particular repair shop

Please Jacket LRB -1619/1 for the ASSEMBLY.